

**AMENDMENTS TO THE CLAIMS:**

This listing of claims will replace all prior versions and listings of claims in this application.

1 to 6 (Canceled).

7. (Currently Amended) Steel pipe formed from a plate of a steel base material ~~with small occurrence of the Bauschinger effect~~, wherein a the steel base material comprises ~~contains~~, by mass %, C: 0.03 to 0.30%, Si: 0.01 to 0.8%, Mn: 0.3 to 2.5%, P: 0.03% or less, S: 0.01% or less, Al: 0.001 to 0.1%, N: 0.01% or less, and a balance of iron and unavoidable impurities, the steel base material has a dual-phase structure substantially comprising ferrite structure and fine martensite dispersed at the ferrite grain boundaries, wherein

~~said~~ a steel pipe, formed from a plate of the steel base material, heated at the austenite-ferrite dual-phase temperature region and then quenched, wherein the heating and quenching are after a steel the plate of the steel base material is shaped into a the pipe, has a ratio of the proportional limit of the compression stress-strain curve in the circumferential direction before and after expansion of at least 0.7.

8. (Currently Amended) ~~Steel~~ The steel pipe ~~with small occurrence of the Bauschinger effect~~ as set forth in claim 7, wherein the fine martensite has grains of a long axis of 10 $\mu$ m or less and said fine martensite has an area ratio of 10 to 30%.

9. (Canceled)

10. (Currently Amended) ~~Steel~~ The steel pipe ~~with small occurrence of the Bauschinger effect~~ as set forth in claim 7, wherein the pipe is heated at a temperature range of 760 to 830°C.

11. (Currently Amended) ~~Steel~~ The steel pipe ~~with small occurrence of the Bauschinger effect~~ as set forth in claim 7, further containing, by mass %, one or more of Nb: 0.1% or less, V: 0.3% or less, Mo: 0.5% or less, Ti: 0.1% or less, Cr: 1.0% or less, Ni: 1.0% or less, Cu: 1.0% or less, B: 0.003% or less, and Ca: 0.004% or less.

12. (Currently Amended) ~~Steel~~ The steel pipe ~~with small occurrence of the Bauschinger effect~~ as set forth in claim 7, further containing, by mass %, C: 0.03 to 0.10%, having a Charpy V-notch value in the transverse direction at -20°C of 40 J or more, and ~~having a~~ wherein the ratio of the proportional limit of the compression stress-strain curve before and after being subjected to deformation ~~of~~ is 0.7 or more.

Claims 13-17 (Canceled)